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June 30, 2010

VIA E-Filing

Jocelyn Boyd, Esquire
Chief Clerk of the Commission
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

RE: South Carolina Electric & Gas Company Annual Request for
Revised Rates
Docket No.: 2010-157-E

Dear Ms. Boyd:

On May 28, 2009, South Carolina Electric & Gas ("SCE&G") filed a request with the South Carolina Public Service Commission ("Commission") for approval of revised rates to cover the cost of capital associated with the construction costs of two nuclear plants for the period ending June 30, 2010. SCE&G has requested approval for certain rate increases to its customers. The request is now under review by the South Carolina Office of Regulatory Staff ("ORS"). On behalf of the South Carolina Energy Users Committee ("SCEUC"), I would make the following comment with respect to SCE&G's request for approval of revised rates.

SCE&G in its quarterly report to the ORS for the quarter ending March 31, 2010, and which is incorporated in the current request, states that it has expended \$1.2 million in contingency funds during the period 2009 through 2010 which it seeks to place in rates. SCEUC has appealed Commission Orders 2009-104(A) and 2009-218 in Docket No. 2008-196-E granting SCE&G's application for relief under the Base Load Review Act challenging the Commission's authority to permit SCE&G to place the contingency costs into rates. SCEUC objects to SCE&G's request for revised rates to the extent that SCE&G's request seeks recovery of contingency costs in rates and to the extent that SCE&G's request for revised rates is inconsistent with SCEUC's positions raised in its arguments, memoranda, briefs, motions and petitions in Docket No. 2008-196-E and in its appeal of Orders 2009-104(A) and 2009-218. SCEUC further objects to SCE&G's request to recover through revised rates its weighted

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average cost of capital applied to any part of the outstanding balance of construction work in progress which includes any contingency costs.

The South Carolina Energy Users Committee reserves all of its rights to comment, object to, or appeal from any approval of revised rates under S.C. Code Ann. Sections 58-33-210 *et seq.*

If you or your staff have questions, please feel free to contact me.

Sincerely,

Elliott & Elliott, P.A.

A handwritten signature in blue ink, appearing to be 'Scott Elliott', written over the printed name.

Scott Elliott

SE/jcl

cc: All Parties of Record

CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of South Carolina Electric & Gas Company for
Approval to Revise Rates under the Base Load Review Act

DOCKET NO.: 2010-157-E

PARTIES SERVED:

Nanette S. Edwards, Esquire
Office of Regulatory Staff
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Columbia, SC 29211

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K. Chad Burgess, Esquire
South Carolina Electric & Gas Company
MC C222
220 Operation Way
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PLEADING: LETTER WITH COMMENTS

June 29, 2010



Marcia W. Walters, Legal Assistant